

## **Introduction to the June Report: Assessing the Medicare Benefit Package**

**ISSUE:** Medicare was created in 1965 to protect the elderly from the financial consequences of not being able to afford medical care. The goal of the program was to ensure that the elderly had access to the medical care purchased by the working population. Many changes have occurred since the inception of Medicare. In the June 2002 MedPAC Report we will highlight the changes that have occurred, assess their implications for Medicare beneficiaries, and examine various options to improve the current benefit package to better meet the needs of the Medicare beneficiaries.

**KEY POINTS:** The goals of this introductory presentation are to:

- 1) Review the major findings from the last commission meeting in the following areas:
  - changes in beneficiary sociodemographics;
  - care of beneficiaries with chronic conditions; and
  - use of primary and preventive services.
- 2) Introduce new evidence and information that commissioners will discuss today and tomorrow, including:
  - changes in medical practice and the delivery of care;
  - changes and evolution in private sector benefit packages;
  - supplementing the Medicare benefit package;
  - beneficiary financial liability and cost-sharing;
  - preliminary June Report findings;
  - criteria for evaluating proposed changes; and
  - options to improve the benefit package.

**ACTION:** We would like the commissioners to keep in mind the issues and evidence presented today and tomorrow in evaluating the adequacy of the Medicare benefit package and in assessing the proposed reform options.

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